

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 551

Introduced by Flood, 19; Ashford, 20

Read first time January 17, 2007

Committee: Revenue

A BILL

1 FOR AN ACT relating to the Convention Center Facility Financing
2 Assistance Act; to amend sections 13-2601, 13-2602,
3 13-2603, 13-2605, 13-2607, 13-2609, and 13-2610, Revised
4 Statutes Cumulative Supplement, 2006; to provide for
5 sales tax revenue appropriations to the Convention
6 Center Support Fund and the Local Civic, Cultural, and
7 Convention Center Financing Fund; to change and eliminate
8 provisions relating to attributable revenue; to define
9 terms; to harmonize provisions; to repeal the original
10 sections; and to outright repeal sections 13-2608 and
11 13-2612, Revised Statutes Cumulative Supplement, 2006.
12 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-2601, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 13-2601 Sections 13-2601 to ~~13-2612~~ 13-2611 shall be
4 known and may be cited as the Convention Center Facility Financing
5 Assistance Act.

6 Sec. 2. Section 13-2602, Revised Statutes Cumulative
7 Supplement, 2006, is amended to read:

8 13-2602 (1) The Legislature finds that it will be
9 beneficial to the economic well-being of the people of this
10 state that there be convention and meeting center facilities,
11 sports arena facilities, and hotel facilities of appropriate size
12 and quality to host regional, national, or international events.
13 Regional refers to states that border Nebraska; national refers
14 to states other than those that border Nebraska; and international
15 refers to nations other than the United States.

16 (2) The Legislature further finds that such facilities
17 may (a) generate new economic activity as well as additional state
18 and local taxes from persons residing within and outside the state
19 and (b) create new economic opportunities for residents.

20 (3) In order that the state may receive any long-term
21 economic and fiscal benefits from such facilities, a need exists to
22 provide some state financial assistance to political subdivisions
23 endeavoring to construct, acquire, substantially reconstruct,
24 expand, operate, improve, or equip such facilities.

25 (4) Therefor, it is deemed to be in the best interest of

1 both the state and its political subdivisions that the state assist
2 political subdivisions in financing the construction, acquisition,
3 substantial reconstruction, expansion, operation, improvement, or
4 equipping of such facilities.

5 (5) The amount of state financial assistance shall be
6 limited to a designated portion of ~~new state~~ sales tax revenue
7 ~~attributed to such facilities and defined events hosted~~ collected
8 by retailers, as defined in section 77-2701.32, doing business at
9 such facilities.

10 Sec. 3. Section 13-2603, Revised Statutes Cumulative
11 Supplement, 2006, is amended to read:

12 13-2603 For purposes of the Convention Center Facility
13 Financing Assistance Act:

14 ~~(1) Attributable revenue means new state tax revenue~~
15 ~~generated due to the construction of the eligible facility,~~
16 ~~employment at the eligible facility, and spending by participants,~~
17 ~~increased by the applicable investment multiplier;~~

18 ~~(2)~~ (1) Board means a board consisting of the Governor,
19 the State Treasurer, the chairperson of the Nebraska Investment
20 Council, the chairperson of the Nebraska State Board of Public
21 Accountancy, and a professor of economics on the faculty of a
22 state postsecondary educational institution appointed to a two-year
23 term on the board by the Coordinating Commission for Postsecondary
24 Education. For administrative and budget purposes only, the board
25 shall be considered part of the Department of Revenue;

1 ~~(3)~~ (2) Bond means a general obligation bond,
2 redevelopment bond, lease-purchase bond, revenue bond, or
3 combination of any such bonds;

4 ~~(4)~~ (3) Convention and meeting center facility means any
5 real or personal property necessary for a convention and meeting
6 center, including an auditorium, an exhibition hall, a facility for
7 onsite food preparation and serving, an onsite, directly connected
8 parking facility for the use of the convention and meeting center
9 facility, and an administrative office of the convention and
10 meeting center facility;

11 ~~(5)~~ (4) Eligible facility means any publicly owned
12 convention and meeting center facility, sports arena facility,
13 or hotel facility acquired, constructed, improved, or equipped
14 after January 1, 1999;

15 ~~(6)~~ (5) General obligation bond means any bond or
16 refunding bond issued by a political subdivision and which is
17 payable from the proceeds of an ad valorem tax;

18 ~~(7)~~ Investment multiplier means the number of times
19 spending induces additional spending on goods and services;

20 (6) Hotel facility means any facility located within two
21 hundred yards of a convention and meeting center facility or a
22 sports arena facility in which the public may, for a consideration,
23 obtain sleeping accommodations;

24 ~~(8)~~ New regional, national, or international event means
25 a convention, meeting, trade show, or other educational function

1 at which at least fifty percent of the participants are registered
2 from a location outside Nebraska and which was not held in Nebraska
3 during the three years prior to the completion of construction of
4 the convention and meeting center facilities;

5 ~~(9)~~ Participant means a person registered to attend and
6 shown to have attended a new regional, national, or international
7 event at a convention and meeting center facility financed under
8 the act;

9 ~~(10)~~ (7) Political subdivision means any local
10 governmental body formed and organized under state law and any
11 joint entity or joint public agency created under state law to act
12 on behalf of political subdivisions which has statutory authority
13 to issue general obligation bonds;

14 ~~(11)~~ (8) Revenue bond means any bond or refunding bond
15 issued by a political subdivision which is limited or special
16 rather than a general obligation bond of the political subdivision
17 and which is not payable from the proceeds of an ad valorem tax;
18 and

19 (9) Sports arena facility means any real or personal
20 property used for observing competitive sports including stadiums,
21 arenas, dressing and locker facilities, concession areas, parking
22 facilities, and administrative offices in connection with operating
23 the facilities. ~~(12)~~ State tax revenue means the Nebraska income
24 tax imposed pursuant to the Nebraska Revenue Act of 1967, the
25 Nebraska sales and use tax imposed pursuant to the Nebraska Revenue

1 ~~Act of 1967, and the state tax imposed by section 81-1253.~~

2 Sec. 4. Section 13-2605, Revised Statutes Cumulative
3 Supplement, 2006, is amended to read:

4 13-2605 (1) All applications for state assistance under
5 the Convention Center Facility Financing Assistance Act shall be in
6 writing and shall include a certified copy of the approving action
7 of the governing body of the applicant describing the ~~proposed~~
8 eligible facility and the anticipated financing.

9 (2) The application shall contain:

10 (a) A description of the ~~proposed~~ financing of the
11 eligible facility, including the estimated principal and interest
12 requirements for the bonds proposed to be issued in connection
13 with the eligible facility or the amounts necessary to repay the
14 original investment by the applicant in the eligible facility;

15 ~~(b) The estimated number of participants and the~~
16 ~~estimated amount of the spending impact of these participants on~~
17 ~~attributable revenue;~~

18 ~~(c) A specific listing of the investment multipliers~~
19 ~~suggested for use in evaluating the application;~~

20 ~~(d) Estimates of attributable revenue based on the~~
21 ~~investment multipliers;~~

22 ~~(e) (b) Documentation of local financial commitment to~~
23 ~~support the project, including all public and private resources~~
24 ~~pledged or committed to the project; and~~

25 ~~(f) (c) Any other project information deemed appropriate~~

1 by the board.

2 (3) Upon receiving an application for state assistance,
3 the board shall review the application and notify the applicant of
4 any additional information needed for a proper evaluation of the
5 application.

6 Sec. 5. Section 13-2607, Revised Statutes Cumulative
7 Supplement, 2006, is amended to read:

8 13-2607 (1) After consideration of the application and
9 the evidence, the board shall issue a finding of whether the
10 convention and meeting center facility, sports arena facility, or
11 hotel facility described in the application is eligible for state
12 assistance.

13 (2) If the board finds that the facility described in the
14 application is an eligible facility and that state assistance is in
15 the best interest of the state, the application shall be approved.

16 ~~(3) In determining whether state assistance is in the~~
17 ~~best interest of the state, the board shall consider the amount~~
18 ~~of attributable revenue estimated to be derived by the state from~~
19 ~~the eligible facility and the fiscal and economic capacity of the~~
20 ~~applicant to finance the local share of the eligible facility.~~

21 ~~(4)~~ (3) A majority of the board members constitutes a
22 quorum for the purpose of conducting business. All actions of the
23 board shall be by a majority vote of all the board members, one of
24 whom must be the Governor.

25 Sec. 6. Section 13-2609, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

2 13-2609 If an application is approved, the board shall
3 annually:

4 (1) Audit or review audits of the approved convention and
5 meeting center facility, sports arena facility, or hotel facility
6 to determine the state sales tax revenue collected by retailers
7 doing business at such facilities; and number of participants at
8 the facility that are registered from a location outside Nebraska
9 and to assure the number of conventions which were not held in
10 the state during the three years prior to the construction of the
11 facility;

12 ~~(2) Determine the amount of attributable revenue with~~
13 ~~regard to construction, improvement, or equipping of the eligible~~
14 ~~facility, employment at the eligible facility, and participants~~
15 ~~attending a new regional, national, or international event for~~
16 ~~which at least one-half of the participants were registered from a~~
17 ~~location outside Nebraska; and~~

18 (2) ~~(3)~~ Certify the amount of state sales tax revenue
19 collected by retailers doing business at such facilities
20 attributable revenue to the State Treasurer.

21 Sec. 7. Section 13-2610, Revised Statutes Cumulative
22 Supplement, 2006, is amended to read:

23 13-2610 (1) Upon the annual certification under section
24 13-2609, the State Treasurer shall transfer after the audit
25 the amount certified to the Convention Center Support Fund. The

1 Convention Center Support Fund is created. Any money in the fund
2 available for investment shall be invested by the state investment
3 officer pursuant to the Nebraska Capital Expansion Act and the
4 Nebraska State Funds Investment Act.

5 (2) It is the intent of the Legislature to appropriate
6 from the fund to any political subdivision for which an application
7 for state assistance under the Convention Center Facility Financing
8 Assistance Act has been approved an amount not to exceed
9 seventy percent of the ~~attributable revenue, seventy-five million~~
10 ~~dollars for any one approved project, or the cost of acquiring,~~
11 ~~constructing, improving, or equipping the eligible facility. state~~
12 ~~sales tax revenue collected by retailers doing business at such~~
13 ~~facilities.~~ The money shall not be used for an operating subsidy
14 or other ancillary facility.

15 (3) State assistance to the political subdivision shall
16 no longer be available upon the retirement of the bonds issued
17 to acquire, construct, improve, or equip the facility or any
18 subsequent bonds that refunded the original issue. ~~or when the cost~~
19 ~~of acquiring, constructing, improving, or equipping the eligible~~
20 ~~facility exceeds seventy-five million dollars, whichever comes~~
21 ~~first.~~

22 (4) It is the intent of the Legislature that the
23 remaining thirty percent of ~~attributable revenue~~ state sales tax
24 revenue collected by retailers doing business at such facilities be
25 appropriated by the Legislature to the Local Civic, Cultural, and

1 Convention Center Financing Fund.

2 Sec. 8. Original sections 13-2601, 13-2602, 13-2603,
3 13-2605, 13-2607, 13-2609, and 13-2610, Revised Statutes Cumulative
4 Supplement, 2006, are repealed.

5 Sec. 9. The following sections are outright repealed:
6 Sections 13-2608 and 13-2612, Revised Statutes Cumulative
7 Supplement, 2006.